



ADDENDUM NUMBER ONE

REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR

OWNER/OPERATOR 5200 DAUPHINE STREET COMMUNITY CENTER

August 19, 2016

ITEM #1 QUESTIONS RECEIVED BY NORA AS OF AUGUST 18, 2016

Q1. Why does the application require contractor information? Does the applying entity need to have a contractor agency included in the application. Have an impact on evaluation of application?

A1. The owner and operator of the building should be prepared to perform ongoing and routine maintenance as well as make repairs as needed. While it is not a requirement to name a contractor, it may be considered as part of the evaluation of the applicant's overall capacity to own, operate, and maintain the structure. Selection of a contractor also provides an opportunity to engage a Disadvantaged Business Enterprise (DBE) in support of NORA's 35% contracting goal as spelled out elsewhere in the application.

Q2. Can an entity demonstrate sustainability solely by earned revenue or does rental income from tenants need to be included?

A2. The applicant needs to show that it has the financial capacity to own, operate, and maintain the facility. If the applicant has substantial cash reserves or revenue streams already in place that will allow it to take on this responsibility while continuing to provide services that meet or exceed its current operations in the community, rental revenue may not be necessary during the compliance period. However, this approach may not be financially sustainable and, therefore, an operations and maintenance plan and budget for the building that demonstrates financial sustainability (revenue neutral at a minimum) are preferred.

Q3. Does the request for information on previous development experience refer to building development or could land development and usage also be considered?

A3. The primary objective of the request for information concerning previous development is to gauge the applicant's experience in the ownership, operation, and maintenance of building facilities and the likelihood of success in the proposed ownership, operation, and maintenance of 5200 Dauphine Street. Experience in the ownership, operation, and maintenance of land would be considered, but is not a perfect substitute.



Q4. Is commercial use of the building - retail in the building - encouraged and/or allowed?

A4. The intended primary use of the facility contemplated in the development of this project is as a neighborhood center. While some retail uses would be permitted under the existing HU-B1A Historic Urban Neighborhood Business District, there is a Conditional Use (Ordinance No. 23170 MCS) currently in effect that restricts use of the facility as a neighborhood center.

Q5. Are more tenants/ organizations using the building more preferable (more than 1 or 2)?

A5. NORA would like to see an ownership, operations, and maintenance plan that accommodates as many non-profit and community organizations as are interested and can reasonably be supported by the facility.

Q6. Are an organization's financial statements or income verification required with the application or is the application's financial spreadsheet the only finance data required?

A6. Organizational financial statements and income verification are required as indicated in the Owner/Operator Information and Applicant Questionnaire and specifically described in Part 3 – Financial Capacity/Plan Required Items #6.

Q7. Does a conflict of interest exist if the awarded entity leases space in the Center to a family member and/or a non-profit organization owned or operated by an immediate family member?

A7. The pertinent provisions of the Code of Governmental Ethics¹ are sections 1121 and 1102(D). Section 1121 provides as follows:

§1121 No appointed member of any board or commission, member of his immediate family, or legal entity in which he has a substantial economic interest shall bid on or enter into or be in any way interested in any contract, subcontract, or other transaction which is under the supervision or jurisdiction of agency of the appointed member.

§1102 D. "Immediate family" as the term relates to a public servant means his children, spouses of children, brothers, sisters, spouses of his brothers and sisters, parents, spouse, and the parents of his spouse.

If the responding entity is a non-profit organization recognized as a 501(c)(3) by the IRS, it is not a public agency; its employees are not classified as public servants; and it is not required to adhere to the provisions set forth in the Louisiana Code of Governmental Ethics.

¹ La.R.S.42:1101, *et seq.*



NORA finds no legal impediment to any entity responding to the RFP and leasing space in the Center to a family member and/or a non-profit organization owned or operated by a family member. However, the leasing of space in the Center by any selected awardee(s) to a family member and/or a non-profit organization owned or operated by a family member may have the appearance of impropriety and/or nepotism because of the relationship between owner and tenant; therefore NORA does not believe it is in the best interest of the surrounding Lower 9th Ward and Holy Cross neighborhoods. Furthermore, such an arrangement does not facilitate in maximizing the benefits of the Center to a diverse group of community organizations if such a relationship were to exist. Therefore, NORA does not recommend this arrangement take place.

Q8. My organization is considering responding to the RFP for 5200 Dauphine in collaboration with other Lower 9 organizations. One thing we were wondering about was the prohibition of residential use. Being able to renovate the upstairs room into a functional apartment would be significant source of revenue that could sustain maintenance and operations of the community space below. What is the reasoning for the prohibition? Are there any exceptions?

A8. The current owner of the facility has informed NORA that the buildout of the upstairs as residential space poses several technical challenges, particularly given current building code requirements as interpreted by the State Fire Marshal, and may be infeasible. If the residential buildout is determined to be technically feasible, the cost of the improvements would be significant and NORA does not anticipate that most eligible respondents would be in a cash position to make those improvements during the five year compliance period in which the facility may not be used as collateral for any type of debt. The proposed residential use may require amendments to the existing conditional use or other entitlement action and the applicant cannot be sure of the timeline or outcome. Finally, the scale and scope of this type of construction project would prevent full or partial use of the facility as a neighborhood center for a significant period of time. Given the amount of time that it has already taken to get the facility into commerce, NORA believes it is in the best interests of the neighborhood to open the facility to the envisioned community use as soon as possible and has placed restrictions upon the disposition to ensure this result.